

## INTERDEPARTMENTAL MEMORANDUM

**SUBJECT:** FY 06-07 Biennial Budget Instructions



**DATE:** July 28, 2004  
**TO:** All Departments and Agencies  
**FROM:** Keith E. Todd, State Budget Officer                      Bureau of the Budget

Accompanying this memorandum are the general instructions for preparing your budget submission for the FY 06-07 biennium. The Budget and Financial Management System (BFMS) will reflect the data extracted through July 8th from the Controller's records for the Prelim (Actual)-2004 year and data for the Wk Program (Estimated)-2005 year. Actual year data for the balance of month 12 and the 13<sup>th</sup> month will be extracted on July 28<sup>th</sup>, and will be added to all existing budget versions. Appropriations and allocations passed as 90 day laws by the Second Special Session of the 121st Legislature are included in the amounts for FY 05.

### **FISCAL OUTLOOK:**

**The General Fund Structural Budget Gap for the FY 06-07 biennium is expected to be approximately \$785 million.** Although the fiscal impact of the recently passed MMA initiative to increase funding for education has not been determined, it has the potential to increase the structural gap by as much as \$275 million. **The Highway Fund Structural Budget Gap is expected to be between \$45 and \$50 million for the FY 06-07 biennium.** Neither fund is expected to realize significant funding relief from revenue rejections or downward revisions in estimated expenditure growth. This fiscal outlook for the General Fund and the Highway Fund will guide the budget development, review and recommendation process for the FY 06-07 biennium.

### **BALANCED BUDGET SUBMISSIONS:**

Departments and agencies are provided in Attachment A with CPI (consumer price index) growth assumptions for each summary-level expenditure C&O in the All Other line category for budget requests in the General Fund and the Highway Fund. The same growth assumptions apply to the related detail-level expenditure C&Os. Expenditure growth will be anticipated only in those All Other C&Os which represent fixed costs, or that are not subject to control by the department or agency. Requests that are over or (under) the CPI assumptions by C&O must be justified on an exception basis. **Requests that exceed the CPI assumption by C&O, for which an adequate justification is not provided, will be limited to the CPI assumption.** Targeted cuts and reductions in Part I requests will be considered as an integral part of the budget review process for the General Fund and the Highway Fund. Each department head, therefore, should consider on a preliminary basis how his or her department would adjust

to the expenditure growth limitations indicated in the '**FISCAL OUTLOOK**' for the General Fund and the Highway Fund.

Title 5, Section 1665, limits the total General Fund appropriation requests for a department or agency to no more than the level of the General Fund appropriation of the previous fiscal year, multiplied by one plus the average real personal income growth rate. Considering the fiscal outlook for the FY 06-07 biennium and to comply with this provision, each department and agency is required to prepare reduction proposals that bring the funding for each year of the biennium to the FY 05 level of appropriation.

### **PERFORMANCE BUDGETING:**

The FY 06-07 budget is required to be submitted in a performance budget format both with respect to the budget document and the budget bills. Separate guidance and instructions have been provided in **Attachment C**, with the enclosed general budget information for the preparation of performance based budgets for the FY 06-07 biennium.

### **POSITION DETAIL BUDGETING IN BFMS:**

With the exception of Crew positions for the Department of Transportation, detail position information is available on-line. Adjustments to positions at the detail level will be automatically reflected in the budget at the object level. Separate guidance and instructions have been provided in **Attachment D**, with the enclosed general budget information, for the preparation of the Personal Services budget for the FY 06-07 biennium. Changes that cannot be made at the position detail level may be made at the object level only with the permission of the Bureau of the Budget.

### **PART II REQUESTS:**

**Since General Fund and Highway Fund resources are expected to be limited, departments and agencies will be required to submit Part II requests that are self funded in General Fund and Highway fund programs.** In order to assist in the decision-making process, each Part II request should be of manageable size (both in terms of dollar amount and program content), and fully described and justified. Departments and agencies that have on-line access to BFMS, and that are required to provide performance data as part of their budget request, will be prevented from submitting a budget version that does not identify the impact of a Part II request on performance measures. Offline agencies must enter Part II requests on the template that has been provided, and identify the impact the request will have on performance measures.

Part II requests should identify the departmental priority assigned to it by the department or agency head within the group of Part II submissions. Each Part II request must have a unique priority number, with '1' representing the highest priority. Grouping of requests pertaining to unrelated programs within a single Part II priority is not acceptable. **Since it is required that Part II requests for the General Fund and the Highway Fund will be self funded, you must also create Part II requests for each proposed reduction that is being used to fund a Part II request.'**

**Accounts in Governmental Funds (012, 013, 014 and 015) and Internal Service Funds must be treated the same as General Fund accounts with regard to submitting a Part I and a Part II budget.** For accounts in funds other than the Governmental Funds and Internal Service Funds which are not allocated by the Legislature, program additions and expansions should be reflected in the basic budget submission.

### **ELECTRONIC SUBMISSIONS:**

Departments and agencies that have on-line access to BFMS will enter the budget request by selecting the Biennial button in the *Main Menu* window, selecting **Biennium** '2006' and the appropriate **Umbrella** value, highlighting the 'A Yr 1 Agency Development Version', and clicking the **Select** button. When data entry for the Part I and Part II budget has been completed, set all sub-schedules to 'Complete' in the *Budget Request Checklist* window and submit the request by highlighting the version in the *Version Control* window and clicking the **Submit** button. **Version Type 'B' and New Version** sequence '01' will be selected by default. To summarize budget data reflected at lower reporting levels to the Account level in the 'B01' version, click the checkbox for the **Roll Up** copy option in the *Submit Version* popup window and click **OK** to complete the process. **Once the data reflected in a budget version has been rolled to the Account level, the budget may only be modified at that level for the remainder of the biennium.**

Through the *Biennial Reports* window, a Budget Guideline report, summarized for all Funds at the Umbrella level, should be generated for each budget item (Position Count, Appropriations/Allocations, Expenditures, etc.),. Insert columns 1 (Actual Year), 2 (Estimated Year), 9 and 10 (Total Current Services), and 11 and 12 (Part II) from the 'A-01' version for display in the reports. Each report should be signed by the department or agency head and returned to the Bureau of the Budget as the department's official budget submission as soon as possible, but no later than **September 1, 2004**.

### **MANUAL SUBMISSIONS:**

Departments and agencies that do not have access to BFMS will be provided with reports produced from the system. **You must review the information contained in these reports, and make any necessary modifications as instructed by the Budget Analyst, and return them to this office as soon as possible, but no later than September 1, 2004.** After the department's requests have been received by this office and processed, we will send a set of computer generated budget forms reflecting the Part I and Part II requests for FY 06 and FY 07. Review these materials carefully to ensure that the amounts shown in all columns are identical to the requests you have submitted. These forms must then be signed by the department or agency head and returned to this office as the department's official budget submission.

The information contained in this memorandum and the attachments together with other mailings concerning the budgetary process should provide you with the information necessary to complete your submission. However, if you have questions concerning any phase of this process please contact your Budget Analyst/Examiner in this office at the direct number or 624-7810.

**TIME LINE:**

Enclosed with this guidance document, as **Attachment F**, is a projected time line of events for the biennial budget process. Please remember that situations may arise that may necessitate changes to the schedule. Budget requests that do not follow the enclosed time line will not be considered.

Attachments:

KET/djl

cc: Rebecca Wyke, Commissioner, Department of Administrative and Financial Services  
Jane Lincoln, Chief of Staff  
Budget and Position Control Analysts/Examiners  
Grant Pennoyer, Director, Office of Fiscal and Program Review

# General Instructions

## FY 06-07 Biennial Budget

### Current Services (base) Level Budget

Departments and agencies must calculate the current services level budget in order to be able to request an accurate current services budget requirement for the FY 06-07 biennium. Expenditure amounts have already been modified to remove the impact of appropriation or allocation adjustments that were not considered to be ongoing. **The current services level budget represents the ongoing costs in FY 05** to maintain program operations as they are currently authorized by the Legislature based on the following additions, deletions and adjustments:

#### Additions

- Annualization of the cost of programs authorized in FY 05 but phased-in for less than 12 months.

#### Deletions

- Adjustments for nonrecurring expenditures.
- Programs that sunset on or before July 1, 2005 or are otherwise intended to be phased out.
- Pilot programs authorized with the legislative expectation that additional review would occur before regular program status was granted.

As budgets are entered and modified in BFMS, the entries are assigned to change package description records. Typically, all entries that are associated with a single change package description record are for a similar purpose. Created at the Umbrella level, the description records may be linked to multiple change records created at the object or position detail level. The individual change records are entered in various change windows. **Care should be taken when assigning entries to change packages to make sure that the description makes sense when viewed separately for each Program.**

**When developing the current services budget request in BFMS, select change group 'B' for the change package description record, and select the change type that correlates to the part of the Budget Bill in which the modification is to display.**

Change Type	A	Modifications to establish the budget required to maintain program operations as they are currently authorized by the Legislature
	B	Modifications representing reduction proposals or adjustments to the current services budget

If you have any questions about the change group and type that should be reflected for a change package description record, please contact your Budget Analyst.

## **Adjustments to All Other Expenditures**

All Other Expenditures were adjusted to remove amounts that were not intended to be ongoing. Inflationary factors were applied to reflect the CPI growth assumptions contained in **Attachment A**.

All Non-General Fund and Non-Highway Fund accounts should use the All Other growth factors reflected below for the budget request for FY 06 and FY 07. These factors represent the most recent CPI forecast of the Consensus Economic Forecasting Commission for FY 06 and FY 07. These initial projections of budget need for FY 06 and FY 07 may be adjusted to reflect mandatory or unanticipated increases not under the control of the department or agency, documented rent or lease increases and similar expenditure growth factors driven by increases in anticipated program effort within the context of current services and beyond the control of the department or agency.

**FY 06 = 2.25% from the FY 05 current services base level budget**

**FY 07 = 2.5% from the FY 06 budget projection**

**Any significant or material variations over or (under) these inflationary projections will be reviewed carefully by the Bureau of the Budget.** Departments and agencies should fully explain such variances by character and object as part of the current services budget submission. These variance explanations should include the appropriate increases in the volume of program effort as reflected in changes in performance measures that drive the expenditure needs in the FY 06-07 biennium and link to the strategic plan for the department or agency.

The results of the adjustments will be reflected in the summary level windows in BFMS in the Adjustments to Base columns for FY 06 and FY 07. To view the detailed change amounts in the ***Expenditure Changes*** window, access the ***Select Column by User*** window, and select the checkboxes for all of the columns that you want to view in the ***Expenditure Changes*** window in the 'A Agency Development Version'.

A/A/9999	Adjustment for one-time amounts
A/A/9000	FY 2006 CPI adjustments General Fund and Highway Fund
A/A/9001	FY 2007 CPI adjustments General Fund and Highway Fund
A/A/9002	FY 2006 Non-General Fund and Non-Highway Fund CPI adjustments
A/A/9003	FY 2007 Non-General Fund and Non-Highway Fund CPI adjustments

## **Balanced Budget Submissions**

As a result of the projected requirements to maintain current services expenditures within projected revenues for the General Fund and the Highway Fund for the FY 06-07 biennium, departments and agencies will be required to prepare General Fund and Highway Fund budgets in All Other that **stay within the CPI expenditure growth assumptions shown in Attachment A** for the FY 06-07 biennium. These expenditure growth assumptions will apply in the aggregate for each department and agency with respect to General Fund and Highway Fund budget requests for the FY 06-07 biennium.

This approach will allow departments and agencies the opportunity to allocate resources from low priority efforts to high priority needs in order to continue critical operations under a limited funding situation. However, if resources are proposed to be redistributed in this manner to maintain certain programs at their full, estimated need in All Other, such decisions must be defensible and based on the relative ranking of program priorities and sound management practice.

## **Performance Budget Submission**

Public Law 1997, c. 764 requires departments and agencies to submit revised strategic plans and performance measures to the joint standing committee of the Legislature having jurisdiction over that agency's matters, the Director of State Planning, the State Budget Officer, the Director of the Office of Fiscal and Program Review, and the Director of the Office of Policy and Legal Analysis no later than December 1<sup>st</sup> of each even-numbered year. It is expected that departments and agencies will further revise their strategic plans and performance measures based on legislative feedback. While this feedback may result in revisions to department and agency strategic plans, these changes may not be able to be incorporated in the budget request that will form the basis for the budget document and budget bills for the FY 06-07 biennium, as highlighted in the time line in **Attachment F**. Departments and agencies are encouraged to contact the Bureau of the Budget in order to have the opportunity to meet and review any element of the strategic planning, performance budgeting or performance measurement process prior to the submission date of **September 1, 2004** for the FY 06-07 biennial budget.

## **Non State Agencies**

Independent agencies not part of State government, Quasi-governmental entities and instrumentalities of the State requesting the appropriation or allocation of funds from the Legislature for the FY 06-07 biennium must include with their request the entire budget for the organization for FY 06 and FY 07. This additional information will enable the Bureau of the Budget to more fully and adequately evaluate the request and provide a recommendation for the Governor.

## **Personal Services**

With the exception of Crew positions for the Department of Transportation, detail position information will be available on-line. Adjustments to positions at the detail level will be automatically reflected in the budget at the object level. This process will occur when the Position Detail Data sub-schedule is set to 'Complete' in the ***Budget Request Checklist*** window.

Separate guidance and instructions have been provided in **Attachment D** for the preparation of the Personal Services budget for the FY 06-07 biennium. Changes that cannot be made at the position detail level may be made at the object level only with the permission of the Bureau of the Budget.

### **All Other**

All Other funds are included within each request to adequately support the level of program activity. Each department and agency must be prepared to justify the All Other amounts requested. The **CPI Expenditure Growth Assumptions** shown in **Attachment A** for FY 06 and FY 07 should be used as a general guide for forecasting the cost of services and expenditures in the All Other Line Category for FY 06 and FY 07 for General Fund and Highway Fund programs. **The projected consumer price index change for FY 06 and FY 07** should be used as the basis for estimating the cost of services and expenditures in the All Other Line Category for FY 06 and FY 07 for non General Fund and Highway Fund programs. You will need to include the statistical measures of program effort to justify the All Other request if required to fully support any significant variance from the CPI Expenditure Growth Assumptions or the projected consumer price index change for each fiscal year.

All non-General Fund accounts must include STA-CAP charges (C&O 851100). FY 05 rates for use in FY 06 and FY 07 are included as **Attachment B** to complete your budget requests. Actual rates will be established later.

No lease-purchase or similar agreement in which the state would become the ultimate owner of buildings or equipment with an outright purchase price of more than \$2,000 (or \$40,000 for telecommunications related equipment) may be entered into without the specific prior approval of the Legislature (5 M.R.S.A., Section 1587). Requests for approval may be submitted with the department's or agency's Part II budget. Please note that lease-purchase arrangements are treated as capital expenditures using character and objects in the 720000 series "Equipment" and 710000 series "Buildings and Improvements".

### **Capital Equipment**

A piece of equipment is considered to be a **capital purchase when its cost is \$3,000 or more**. **Items of less than \$3,000 must be budgeted as All Other**. Requests for capital equipment are developed in BFMS through the ***Capital Equipment Sub-schedule*** window. Keep in mind that, during the biennium, you may be restricted to purchasing only items reflected in the Final Approved Versions (e.g. version types 'S', 'T' and 'U'). As a general rule, only **replacements** for those items of capital equipment originally purchased by that fund may be included as a Current Services request. On a very limited basis, new capital equipment purchases may be included as Current Services if as a result of technology changes or alternative methods of providing authorized Current Services with no net increase in cost. Requests for the replacement of equipment obtained through surplus, or acquired as a used item, must be submitted as a Part II proposal.

As a general policy, most departments and agencies are required to lease vehicles from Central Fleet Management to meet operational needs. Rate projections for FY 06 and FY 07 are reflected in **Attachment E**. If your department or agency has received a special exception from



Central Fleet Management to purchase vehicles, please contact your Budget Analyst/Examiner for unit price information for FY 06 and FY 07.

### **C&O Codes**

BFMS provides the ability to prepare Expenditure budgets at the detail C&O level to 6 significant digits (original 4 followed by “00”). The 300000 and 800000 series must be by 6 significant digits, i.e., 311000, 321000, 391000, ... 851000, 851100, etc. All others may be entered at the summary level, i.e., 400000, 410000, 530000, 720000, etc. With the exception of adjustments to the Personal Services budget at both the detail and object level for the same C&O and change package, there may be only one line of entry for each C&O per change package within each reporting level. Keep in mind that you may be expected to adhere to C&O breakdowns when you prepare work programs for the budget years.

Transfer codes used on Form 'H' must be by 6 significant digits (original 4-digit code followed by “00”) depending on the fund type: 298300, 298400, 298700, 298800 if federal; or 296300, 296400, 296700, 296800 if other than federal.

### **Revenues**

All revenues to the General Fund shall be undedicated. A separate spreadsheet will be forwarded to the appropriate departments and agencies reflecting undedicated revenue amounts approved by the Revenue Forecasting Committee, adjusted to reflect projected amounts for the 2006-2007 biennium. Revenue estimates must be reported using the complete 6-digit income source code (original 4-digit code followed by “00”). Transfers within the General Fund, (or between it and other Governmental Funds, are not considered as revenues or expenditures). Transfers to or from other funds (Intergovernmental Service Funds, for example) are considered as transfers in accordance with 3 below under "Transfers".

Those departments and agencies with biennial budget requests reflecting the collection of revenues are reminded to ensure that such forecasted revenues are based upon sound assumptions and program operations. Sufficient supporting detail should be submitted by the department or agency to justify all revenue projections.

### **Transfers**

BFMS requires the reporting of the proposed transfer of funds from one account to another by both the reporting level giving up the funds (negative amount) and the reporting level receiving the funds (positive amount). Below are guidelines for preparing transfers:

1. If you are transferring funds to a reporting level because it is **performing a portion of your program**, access the ***Transfer Changes*** window in BFMS. Click ‘Insert’ to add a new record, and select the appropriate Change Package Description option and the appropriate C&O in the 290000 series. Enter the value for the reporting level that will be receiving the transferred funds. Enter the negative amount of the transfer in the appropriate column(s). (The receiving reporting level must also record the receipt of the funds, but as a positive amount). **If another agency is providing contractual services, this**

**should not be recorded as a transfer, but as an expenditure. Transfers should be limited to those cases where funds are being collected and forwarded on behalf of another agency; such as, in the case of grant proceeds. Please submit documentation which supports the source and purpose of the transferred funds.**

2. If you collect revenues and distribute these revenues to other accounts in accordance with a pattern established by the Legislature, enter the amounts as Dedicated Revenues and use the appropriate revenue C&O numbers. .

3. If you move funds between a governmental account and a non-governmental account, enter the amounts as Expenditures and Dedicated Revenues and use the appropriate C&O numbers.

### **Federal Funds**

The statutes limit actions by financial order that allot federal funds in excess of allocations to a 12 month period. It is important for a department or agency to make sure that they have included in their Part II budget requests funding to continue any program or expenditure of funds authorized by financial order. Every effort should be made to submit budget requests for federal accounts based on the latest information available. Any assumptions used to project resources or expenditures should be documented for future reference.

### **Other Funds**

Departments and agencies should ensure that budget requests for all funds are developed in a reasonable manner. Attention should be given to changes in programs as a result of past or expected events. Requests should be supported by accurate forecasts of available resources. The State Cost Allocation Plan (STA-CAP) rates to be used are shown in **Attachment B**. Actual rates will be established during the biennium. As in the past, **STA-CAP charges must be budgeted in all funds other than the General Fund.**

Other Special Revenue Fund and Internal Service Fund accounts are also subject to Legislative allocation by line category and will be treated in the same manner as other allocated accounts. Accordingly, the line category distribution for such accounts should be based on accurate assumptions.

### **Part II Requests (New or Expanded Services)**

**A separate Part II request must be created whenever a new program (or an expansion or reorganization to an existing program) is proposed for any Governmental Fund, any Internal Service Fund or any other fund for which a separate allocation act is required** Each request must include a 25-word (or less) summary of the proposed new or expanded activity. Please make a concise statement that can be used in a Part II bill that will explain the purpose for which the requested funds will be used. Also, each Part II request must be accompanied by supporting detail identifying the proposed classification of any positions requested, items of capital equipment proposed, a character and object breakdown of all proposed expenditures, dedicated and undedicated revenues and any transfers.

**When entering Part II requests in BFMS, select Change Group ‘C’ for the change package description record, and select the Change Type that correlates to the Part of the Budget Bill in which the Part II request is to display.**

Change Type	A	Supplemental appropriations and allocations from various governmental, internal service and enterprise funds.
	B	Supplemental appropriations and allocations from various governmental funds for approved reclassifications and range changes.

Separate guidance will be provided if the selection of a Change Type other than what is reflected above is required. Additional instructions have been provided in **Attachment C** for the preparation and submission of performance based budget requests, and in **Attachment D** for the preparation of changes to the Personal Services budget for the FY 06-07 biennium.

**Departments and agencies with on-line access to BFMS should generate the Budget Changes – Appropriations/Allocations and Position Counts report for internal review and evaluation.** The report may be generated by selecting Reports⇒Biennial from the pull-down menu in BFMS, and selecting the radio button for Change – Approp/Alloc & Position Count. Select the appropriate values from the Biennium, Umbrella, Version Type and Sequence drop down windows, and select Change Group ‘C’. The data in the report may be further qualified if by selecting or entering one or more values from the remaining drop down windows or fields. Access the Reporting Level Selection tab to specify the summary level for the data that is to be reflected in the report, or view/print the report without selecting a summary level. This will cause the data to display for all reporting levels that reference the selected change package(s), regardless of the level of the reporting level in the hierarchy. To summarize the data entered at the Account and lower levels to the Account level, select the radio button for Account and select the Summary radio button at the botton of the window. (If the Detail radio button is selected, only data entered at the Account level will be reflected in the report).

### **Emergency Appropriation/Allocation FY 05**

**Departments and agencies with General Fund and Highway Fund accounts should expect to manage operations during FY 05 within available appropriations/allocations. Supplemental appropriations for FY 05 generally will not be available.** However, if an agency determines that additional appropriation/allocation is needed for the current fiscal year, **every attempt should be made to find these additional funds from other programs within your department or agency.** A separate memorandum will be issued regarding supplemental budgets for FY 05 that will include instructions for the preparation of detailed operational plans for managing programs within available General Fund and Highway Fund appropriations and allocations during FY 05.

If the request involves activities that will need funding in FY 06 and FY 07, be sure to include the item in your Part II request and refer to the emergency item in the Part II justification. Electronic submission of FY 05 Emergency Part II requests should be entered in the 2004 K01 version using Change Group ‘I’ and Change Type ‘A’.

### **Information Technology Budgets**

The Chief Information Officer will issue detailed instructions for the submission of Information Technology (IT) projects in connection with the official budget submission for the department or agency for the FY 06-07 biennium.

### **Due Date**

**All budget submissions (budget version 'B' that includes Part I and Part II and performance budget information) are required by law to be received by the Bureau of the Budget no later than September 1, 2004. No extensions to this deadline will be granted. Timely submission of all required materials is imperative.**

## Attachment A

### CPI Expenditure Growth Assumptions

400000 - Professional Services - Not by State	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
410000 - Professional Services - By State	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
420000 - In State Travel	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
430000 - Out of State Travel	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
440000 - Operation of State Vehicles	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
450000 - Utility Services	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
460000 - Rents	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
470000 - Repairs	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
480000 - Insurance (480000 to 485300 only)	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
480000 - Insurance	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
490000 - General Operations	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
500000 - Training	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
510000 - Food	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
520000 - Fuel	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
530000 - Information Technology	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
540000 - Clothing	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
550000 - Minor Equipment	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
560000 - Other Supplies	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
570000 - Depreciation	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
580000 - Highway Materials	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
600000 - Grants to Federal Government	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
610000 - Grants to Counties	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
630000 - Grants to Cities and Towns	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
640000 - Grants to Public and Private Orgs.	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
650000 - Unemployment Compensation Benefits	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
660000 - Public Assistance Grants	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
670000 - Assistance and Relief Grants	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
680000 - Miscellaneous Grants to Individuals	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
690000 - Pensions	FY 05 Base Level x 2.25	= FY 06 x 2.50	= FY 07
700000 - Land and Land Rights	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
710000 - Building and Improvements	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
720000 - Equipment	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
730000 - Structures and Improvements	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
740000 - Equipment Construction	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07
750000 - Highway Infrastructure	FY 05 Base Level x 0.00	= FY 06 x 0.00	= FY 07

Departments and agencies that submit General Fund and/or Highway Fund budget requests for the FY 06-07 biennium still should be prepared to document the program-by-program impact should expenditure growth be limited as described in the **'FISCAL OUTLOOK'** in the introductory guidance memorandum. The expenditure growth would apply to all the line categories and programs in the aggregate for the department or agency for the General Fund and the Highway Fund. **It is expected that Part I budget reductions and cuts will be required to balance both the General Fund and the Highway Fund for the FY 06-07 biennium. As a consequence, it will be to your advantage to be able to explain the impact in the event such reductions or cuts are focused on your department or agency.** Those program areas that are subject to unusual growth pressures, or that are unique in nature, may have to be addressed with the department or agency on an individual basis.

**Attachment B**  
**State Cap Rates FY 06 and FY 07**

Dept & Unit	Indirect Cost Rates	Dept & Unit	Indirect Cost Rates	Dept & Unit	Indirect Cost Rates	Dept & Unit	Indirect Cost Rates	Dept & Unit	Indirect Cost Rates
01-001	5.421%	06-558	0.0	15-213	0.850%	26-550	3.550%	94-412	0.0
01-014	1.258%	06-586	13.589%	15-214	0.465%	27-244	0.000%	94-414	0.0
01-015	1.790%	07-102	16.963%	15-215	0.989%	28-248	1.856%	94-457	0.0
01-017	0.786%	07-105	3.953%	16-219	1.935%	29-250	5.417%	94-546	1.856%
01-026	1.016%	07-113	4.989%	16-221	0.796%	29-255	0.0	95-606	0.0
02-027	0.0	07-413	0.484%	16-222	1.115%	30-263	3.671%	95-621	0.0
02-028	0.396%	07-575	0.0	16-224	0.605%	30-271	1.590%	95-629	0.928%
02-029	0.314%	09-137	1.373%	16-226	0.672%	30-272	0.029%	98-290	0.095%
02-030	0.699%	09-167	0.625%	16-228	14.922%	30-519	0.664%	98-497	0.0
02-031	0.571%	09-189	0.865%	16-230	0.185%	31-556	29.457%	99-016	0.0
02-041	.845%	09-218	0.445%	16-574	0.941%	40-274	0.561%	99-024	0.0
02-313	1.429%	09-236	1.798%	17-231	2.207%	65-407	4.873%	99-176	0.0
02-322	1.754%	09-585	1.102%	17-234	0.426%	65-625	0.941%	99-330	0.0
02-373	0.859%	10-144	2.951%	17-243	0.0	75-370	0.016%	99-346	0.0
02-380	0.854%	10-148	3.475%	17-246	1.963%	78-421	.352%	99-397	0.0
02-382	5.191%	10-149	0.878%	18-106	0.0	90-077	0.755%	99-475	0.0
02-383	1.336%	10-182	0.640%	18-117	0.0	90-351	3.430%	99-479	0.0
03-201	3.583%	10-560	0.787%	18-119	0.0	90-590	0.627%	99-480	0.0
03-204	0.505%	12-150	0.935%	18-125	0.487%	92-400	0.0	99-516	0.0
03-205	2.296%	12-152	1.451%	18-127	0.954%	92-429	3.040%	99-561	0.0
03-206	0.662%	12-168	0.519%	18-133	0.283%	92-533	0.0	99-576	0.0
03-208	8.569%	12-169	0.0	18-134	0.0	92-549	0.0	99-587	0.0
03-211	0.021%	12-170	10.014%	18-185	2.800%	92-609	0.0	99-599	0.0
03-220	0.782%	12-180	11.347%	18-350	0.669%	94-073	0.0	99-613	8.021%
03-225	0.860%	12-597	4.315%	18-389	2.200%	94-075	0.0	99-618	1.497%
03-237	1.031%	13-188	2.806%	18-446	0.0	94-088	10.848%	99-620	0.0
03-473	1.487%	14-118	8.935%	18-551	0.0	94-089	9.632%	99-626	0.0
03-615	4.132%	14-191	0.0%	18-553	2.835%	94-097	0.0	99-999	13.944%
04-058	1.403%	14-193	0.849%	18-554	0.000%	94-112	0.0		
04-059	1.782%	14-194	0.457%	18-555	0.340%	94-270	9.681%		
04-060	6.541%	14-195	0.509%	19-100	4.651%	94-289	1.186%		
04-061	0.608%	14-197	1.829%	19-498	1.371%	94-293	0.715%		
04-062	0.561%	14-198	0.834%	19-499	3.008%	94-294	0.0		
05-071	5.010%	14-199	0.822%	19-501	1.371%	94-348	13.054%		
05-087	0.0	14-200	0.763%	19-536	0.154%	94-376	0.0		
05-090	0.0	14-207	0.755%	19-607	0.0	94-391	2.412%		
06-096	2.208%	14-472	1.145%	26-239	4.932%	94-409	0.0		
06-101	1.700%	15-210	0.148%	26-242	14.954%	94-411	0.0		

## Attachment C

### Performance Budget Instructions

#### ELECTRONIC SUBMISSIONS

BFMS provides the ability to establish a strategic plan that is automatically linked to the reporting level structure for a department or agency, as well performance measures that allow for an assessment of how well a department or agency is performing in achieving its goals and objectives. Strategic plans are established in the *Performance Budget Values* window (Administration⇒Administration⇒Performance Budgeting⇒Performance Budget Values). Measure objects are created in the *Performance Measures* window (Administration⇒Administration⇒Performance Budgeting⇒Performance Measures). The Strategic Plan that was entered for the 2004-2005 biennium has been copied to the 2006 biennium. **Departments and agencies should access these windows to review the information that currently exists.** Instructions for using these windows are included in the User's Manual for the Budget and Financial Management System.

When entering a performance value for a new program strategy, BFMS requires that a valid Program with the same value exist in the *Reporting & Budget Level Maintenance* window. This allows the system to automatically link the strategic plan to the reporting level structure and display budget data based on either structure. A budget version may not be submitted for a department or agency that is required to submit a performance-based budget until a program strategy has been assigned to every active Program for the department or agency. The *Assign Reporting Level to Performance Values* window may be accessed to identify any active Programs that have not been linked to the strategic plan. **The reassignment of program strategies to new objectives, and objectives to new goals will impact historical reporting of performance data when reports are produced at these levels and/or across more than one biennium.**

#### Linking Objectives to Policy Areas

Policy areas and goals will be used for the FY 06-07 biennial budget as a means of showing how state appropriations and allocations for all funds support overarching, organization-wide efforts as an integral part of strategic planning and performance budgeting. BFMS allows departments and agencies to connect each objective within the strategic plan to the appropriate policy area. This will afford a more accurate roll-up of funding to show more clearly the resources applied to policy areas based on the functional role of the department or agency among different objectives. Funding for a department or agency may appear in more than one policy area and goal based upon the impact each objective has within the context of the department or agency's strategic plan. Departments and agencies will determine the appropriate connection of new objectives to policy areas based upon the goal statements and functional descriptions below for each policy area.

## Description of Policy Areas

<b>Policy Area</b>	<b>Goals</b>	<b>Description</b>
<b>Government Support and Operations</b>	Maine's government will be effective and fiscally responsible. All Maine citizens will have access to judicial, legislative, and administrative processes. Recognizing that government's success depends on its employees, it will treat them responsibly and create an environment in which they can excel.	This policy area includes activities related to the internal administrative operations of state government; particularly the financial and human resources management aspects of state government. It also includes programs related to access to government by Maine's citizens.
<b>Economic Development and Workforce Training</b>	Maine's economy will offer opportunities for every citizen to have rewarding employment and for businesses to prosper in a responsible manner, now and in the future.	This policy area includes activities that work toward improving the economic well-being of Maine citizens; especially as it relates to job growth.
<b>Education</b>	Maine's people will be life-long learners and have the knowledge and skills to live productive and satisfying lives. Our children will be prepared for life and work.	This policy area includes activities related to formal learning and education of all Maine people.
<b>Arts, Heritage and Cultural Enrichment</b>	Maine's citizens will be enriched by the culture and heritage of its peoples.	This policy area includes activities that preserve and protect the state's cultural resources; that promote the access of those resources to Maine people and visitors; and that provide an informal learning and education function for citizens.
<b>Natural Resources Development and Protection</b>	Maine's citizens, businesses and organizations will be stewards of the state's natural resources, so that their responsible use and development will sustain human and ecological life in perpetuity.	This policy area includes activities that protect the state's natural resources; particularly as it relates to balancing the conservation of its natural resources with the development of the State's economy.
<b>Health and Human Services</b>	Maine's citizens will be healthy, physically- and emotionally-safe, and as self-sufficient as each is able to be. Our children will have the chance to be children and the support to become healthy, productive adults.	This policy area includes activities that promote the health and physical and emotional well-being of all Maine citizens; including children.



<b>Justice and Protection</b>	Maine's citizens will be secure in their homes and communities. Those who commit crimes will be held fully accountable, while given opportunities to change; and the victim and communities, as much as possible, will be restored to wholeness.	This policy area includes activities that protect Maine citizens; including protection of their persons, property, and rights. This includes protection and restoration from crimes and natural disasters; and protection of due process.
<b>Business Licensing and Regulation</b>	Maine will foster a regulatory environment that protects the public through appropriate, impartial, and efficient regulation of products and services, while encouraging a positive business climate.	This policy area includes activities by which the State regulates Maine's businesses, occupations, and professions.
<b>Transportation Safety and Development</b>	Maine's infrastructure will move people, goods, information, and energy safely and efficiently, shaping healthy communities, a strong economy and a clean, natural environment.	This policy area includes activities that operate, regulate, manage, or maintain the state's highways, roadways, bridges, or air and marine transport facilities and the people using those facilities.

### **Instructions for Entering Explanatory Information for Performance Measures**

The short descriptive title of a performance measure does not adequately convey the relationship between the Program Strategy's services, goals, objectives, and the performance measure. The ***Explanatory Information*** window should be accessed to provide an explanation of why each measure is relevant to the service being provided by a Program to which the measure is linked in the ***Performance Budget Changes*** and/or ***Performance Budget Request Detail*** windows. Explanatory information previously established has been copied to the 2006 biennium. In the event that the explanation for the same measure is different for different Program Strategies, a separate measure object should be created. When entering the explanatory information, provide any relevant data that may be important to understand the performance measure, including key factors which influence the success in achieving performance measure targets, an explanation of the current level of performance and why the department or agency chose the targeted levels of performance that it did, and if appropriate, any factors— including those outside the department or agency's control— that affect the performance of a Program Strategy. Identify any recent or expected changes in the related Program Strategy's operations or its operating environment, which you think, will enable the department or agency to meet its performance targets.

In addition, explanatory notes can be used for:

- ✓ Describing how a measure is calculated
- ✓ Explaining why the measure is important; what the data shows
- ✓ Helping the reader to understand what the data tells us
- ✓ Explaining why performance is increasing/decreasing

The ***Explanatory Information*** window is accessed through the ***Performance Measures*** window (Administration⇒Administration⇒Performance Budgeting⇒Performance Measures). Click on the row for the first measure object for which explanatory information is to be entered and click on the **Explanatory Information** button. Enter the appropriate information in FY 06 and click **Update** to save the change. If text is not reflected for FY 07, FY 06 text will automatically display for that year. Once text is reflected for both years, any changes must be made separately to each year.

### **Performance Budget Request Edits**

Before the 'A Agency Development Version' may be submitted to the 'B Agency Request Version', BFMS requires that all sub-schedules be set to 'Complete' in the ***Budget Request Checklist*** window. When the Performance Budget Request sub-schedule is set to 'Complete', the system will validate that requisite edit criteria have been met. The following edits apply only to the budget versions of departments and agencies that are required to submit a performance-based budget.

- v BFMS will validate that a program strategy has been assigned to every enabled level 3 reporting level (Program) for the department or agency.
- v BFMS will confirm that *at least* one performance budget change record exists for each change package that is reflected in the version. (A zero amount record for measure '0000 No Measurable Impact' meets this requirement). This edit does not apply to packages that reflect a change group of 'A' (Adjustments to Base), or 'E', 'H', or 'K' (Revenue Re-projections). Recognizing that changes to the Current Services budget may be limited to those needed to complete the request, this edit also does not apply to packages that reflect a change group of 'B' and a change type of 'A'. This edit does not prohibit you from creating performance budget change records for the Current Services budget if it is appropriate to do so.

### **MANUAL SUBMISSIONS**

Departments and agencies that do not have access to BFMS will be provided with a **Strategic Plan** report that reflects the Mission, Goals, Objectives and Program Strategies for the department or agency as reflected in BFMS. A **Performance Budget Guideline** report that contains baseline performance measurement data, as well as any explanatory information for the measures previously provided to the Bureau of the Budget, may also be provided. Necessary changes to the information should be marked in red and the reports returned to the Bureau of the Budget, or an electronic document that highlights the changes may be forwarded to the appropriate Budget Analyst. If the text for the performance element (e.g. Goal, Objective, etc.), performance measure and/or the explanatory information for the measure is to be different for each year of the biennium, please designate the appropriate year for the changes on the report or document.

The budget submission must identify the impact of changes to the budget on performance measures. Forward the submission, in addition to the reports and/or the electronic document mentioned above, to the Bureau of the Budget as soon as possible, but no later than **September 1, 2004.**

## **Attachment D**

### **Position Detail Budgeting Instructions**

Position calculations in BFMS reflect projected increases for benefits and special pays in the C&O projections for your department or agency, which will serve as the foundation for the Personal Services component of your FY 06-07 Biennial Budget submission. The data in the system reflects position and employee file status as of July 6, 2004. This data has been modified to include authorized positions that were not reflected in the HR System at the time of the extract, as well as reclassifications and range changes that were approved in PL 2003 Chapter 673, and other miscellaneous laws that have not been implemented.

Computations are based on legally authorized salaries in accordance with the salary schedules currently in effect. Any contract increases beyond the current biennium will be requested either in the Part II requests or in separate legislation. In FY 2006 and FY 2007, Payroll Cycles A and B will have 26 biweekly pay periods.

Vacant positions will reflect step 3 in FY 06, and step 4 in FY 07, if valid rates exist for the steps in the salary schedule. The step for filled positions will be based on the step reflected for the incumbent at the time of the extract, and will be incremented in the base year, FY05, FY 06 and FY 07, if valid rates exist for the step, and a valid merit date (merit date is not null or 12/31/2099) is reflected for the position. Regardless of the year reflected for the merit date, the step will be increased no more than once for a fiscal year. When applicable, salary calculations will reflect merit increases, as well as any salary schedule increases, and will be prorated when the begin or end date for the position falls within the fiscal year.

The hourly rate reflected for filled positions assigned to salary schedules 51-53 and 56-57 will be based on the rate reflected for the employee at the time of the extract. This rate will be increased by 5% in the base year (FY 05), and an additional 5% in FY 06 and in FY 07, as long as a valid merit date is reflected for the position. Regardless of the date reflected for the merit, the increase will be calculated as of the first day of the fiscal year. The step will not be advanced for these positions. Vacant positions will reflect the hourly rate last approved for the position, increased by 5% in FY 06 and in FY 07. Positions in administrative unit O, for which salaries are fixed by statute, will reflect the appropriate annual salary in FY 06 and FY 07 as provided by statute. When requesting a new position and assigning it to one of the salary schedules listed above, you must specify a pay type code and hourly rate for the position.

Contract days and daily rates have been used to calculate salaries of Teacher classes included in Salary Table 54. A merit increment will be included for Teacher positions for which the incumbent is not at top step based on the merit date.

## Position Count Information

### Full Time Equivalents (FTE's)

Positions authorized for less than 52 weeks in a fiscal year are identified for the FY 06-07 biennium as FTE's in accordance with PL 1995, Chapter 502, Section G-1. The FTE applicable to a position is arrived at by dividing the number of authorized hours in a fiscal year for the position by 2,080 hours rounded to the nearest 1000th. This calculation does not alter the method by which the salaries and benefits for these positions are calculated but rather the level of budgetary control. Teacher positions having contract days of less than 180 in a fiscal year will be identified on an FTE basis consistent with Title 20-A, Section 4801, Subsection 1.

### Positions – Legislative Count

All positions that reflect an end date of 12/31/2099, regardless of fund, authorized by the Legislature for 52 weeks in a fiscal year, or the equivalent, will be identified as Positions - Legislative Count in accordance with PL 1995, Chapter 502, Section G-1.

## Position Detail in BFMS

With the exception of Crew positions for the Department of Transportation, detailed position information is available on-line for adjustment, and will be automatically reflected in the budget at the object level. This process will occur when the Position Detail Data sub-schedule is set to 'Complete' in the ***Budget Request Checklist*** window. **Changes that cannot be made at the position detail level may be made at the object level only with the permission of the Bureau of the Budget.**

Changes to position detail are made on-line in the ***Position Information*** window Main Menu⇒Biennial (button)⇒(Highlight 'A Agency Development Version' in the ***Version Control*** window)⇒Select (button)⇒(Budget Request Checklist) Position Detail Data (double-click or select the Go to Screen button). When the Position Detail Data sub-schedule is set to 'Complete' in the ***Budget Request Checklist*** window, the budget is automatically updated to reflect the impact of any changes on Position Count and the Personal Services Expenditure budget. Access the ***Authorized Position Count Changes*** and ***Expenditure Changes*** windows to view the results of the changes at the object level, or to create new change records for those adjustments that could not be made at the position detail level. Additional instructions for using the windows listed above are available in the User's Manual for BFMS.

## **Changing Positions in BFMS**

Positions that have been legislatively authorized comprise the base position records. These positions are downloaded from the Human Resource System at the start of budget development, or added by the Position Control Analyst in the Bureau of the Budget in the 'P Budget Preparation Version.' Unestablished positions are copied to the 'P' version from the prior biennium. With the exception of changes that are made by the Position Control Analyst, no changes may be made to base position records. To initiate a change to a base position record, a copy must be made of the record and changes made to the copy. In the 'A Agency Development Version', each position copy must be assigned to either a Part I (Change Group 'B') or a Part II (Change Group 'C') change package description record.

### **Part I Copies**

BFMS allows a single copy of a base position record to be created for Part I changes in each fiscal year. All Part I changes must be made to these records. Base position records are designated with a '0', and Part I copies with a '1', in the **Copy No** field that is reflected in the *Position Data* tab of the *Position Information* window.

### **Part II Copies**

BFMS allows multiple copies to be made for Part II changes. Part II copies are designated with a '2' in the **Copy No** field. The **Copied From** field in this window identifies the type of record that was used as the source of the copy (e.g. 'Base', 'Part I'). **When creating Part II copies, care should be taken to select the appropriate record as the source of the copy, and to create the Part II records in the appropriate order.** For example, the Part II record transferring a position to a different reporting level in Part A of the Part II bill should be used as the basis of a Part II copy reclassifying the position in Part B of the Part II bill so that the costs associated with the reclassification will be reflected in the new reporting level.

The ability to modify a position record is dependent on the field, the user type of the individual accessing the record, and whether the record represents a Base, Part I or Part II position record. The permissions that have been granted to users for modifying position information in BFMS are reflected in the User's Manual for BFMS.

## Special Pay and Benefit Component Information

In addition to the base salary amount, BFMS provides the ability to budget up to thirty pay and benefit components at the detailed position level. If multiple options exist for the same component, qualifiers are used to differentiate between the options (e.g. Health M/01/01, M/01/02, etc.). A component will be reflected for a position only if it represents a regularly scheduled pay or benefit item for the position. The components that will be reflected for vacant positions will be those that are provided by default to all positions associated with the same job classification as the vacant position. Additional components which may pertain to a particular employee, account or bargaining unit such as shift differential, call-out pay or stand-by pay, uniform or telephone allowances, child care benefits, etcetera, may be selected for a position in the Part I budget submission only with the approval of the Bureau of the Budget, unless previously authorized by the Legislature.

As a general rule, changes to positions will be accepted within the following guidelines:

1. Part I changes to position information must be consistent with the FY 05 budget and supported by detailed work papers; and,
2. Governmental Fund accounts (010, 012, 013, 014 and 015), internal service fund accounts or enterprise fund accounts which have specific appropriations or allocations must not include proposed changes that would qualify as Part II items. Other enterprise fund and trust fund accounts for which allocations are not required by law may include proposed new positions and other Part II changes in the Part I budget request. Proposed new positions and other changes that cannot be made in the Part I budget at the position detail level may be made at the object level with the permission of the Bureau of the Budget.

Following are Personal Services components and/or calculations that deserve special attention with a brief description of each. These components are reflected on the Benefits/Pay Info tab in the ***Position Information*** window.

### **Retirement**

The rates for standard and special retirement used for the 2004-2005 biennium have been used for projecting the employer retirement costs for FY 06 and FY 07. Retirement amounts will be re-calculated statewide in August to reflect updated employer retirement rates from the Maine State Retirement System for FY 06 and FY 07. When the budget is updated to reflect the cost of retirement, the amounts will be reflected in the C&Os established by the Bureau of Accounts and Control, allowing for the tracking of employer paid costs related to retirement normal cost, unfunded liability, retiree health insurance and Maine State Requirement System administration.

Employees for whom membership in the Maine State Retirement System (MSRS) is optional and who choose not to join the MSRS, and those employees eligible for the 5% salary adjustment in lieu of the employer pick up, will have the 5% salary adjustment calculated for the position in FY 06 and FY 07.

## **Health Insurance**

Employer paid health insurance premium rates are based on present rates using currently available payroll data. These employer paid premium rates have been projected forward to FY 06 and FY 07 using inflationary assumptions from the Employees' Health Insurance Program of 12% in FY 06 and 12% in FY 07.

## **Dental Insurance**

Employer paid dental insurance premium rates are based on present rates using currently available payroll data. These employer paid premium rates have been projected forward to FY 06 and FY 07 using inflationary assumptions from the Employees' Health Insurance Program of 8% for FY 06 and 8% for FY 07.

## **Workers' Compensation**

The workers' compensation premiums are calculated using an annual rate. The premium for each authorized position is arrived at by dividing the weeks authorized for the position by 52 weeks and then multiplying the result by the premium rate for the department or agency. These rates may be subject to change based on more current actuarial data and assumptions, and the budget versions recalculated in August to reflect the new rates.

## **Life Insurance**

Employer paid basic life insurance is projected at \$0.14 per thousand rounded to the highest thousand based on total annual salary using currently available payroll data.

## **Attrition**

In accordance with PL 1995, Chapter 502, Section I-5, salaries and wages for all authorized positions regardless of fund are reduced by 0.16% of projected salaries and wages for FY 06 and FY 07. Benefits that are calculated as a percent of salaries and wages will reflect 98.4% of projected benefits.

## **Recruitment and Retention (Market Pay) Adjustments, Miscellaneous and Training Stipends**

Recruitment and retention (market pay) adjustments for designated IT and other affected classifications will be calculated by position for FY 06 and FY 07 in accordance with the authorized base rate adjustments if they are regularly scheduled for the position. Training and/or miscellaneous stipends may also be reflected if the stipend represents a regularly scheduled pay item for the position.



## **Position Allocations**

BFMS provides the ability to allocate the cost of a position to up to ten reporting levels through the Allocation tab in the Position Information window. When the positions were extracted from the HR System for the upcoming biennium, the reporting level reflected for the position was compared to the 'Home Account' reflected in BFMS. If the reporting levels matched, the allocation information reflected in BFMS for the last included record for the position was copied to the new biennium, otherwise, the reporting level reflected in the HR system was loaded.

The entire position count for the position is reflected in the budget at the level 4 reporting level that represents the 'Home Account' for the position record, regardless of the level at which the budget is developed. The entire cost of the position may be allocated to lower reporting levels by entering '0' in the **Alloc Pct** field for the **Home Account**. For Part I position records, the cost of a position may be allocated at any agency-defined level, at or below the Account level, within the same Program and Fund where the position was previously authorized. Part II modifications to position allocations may cross Programs and Funds.

## **Miscellaneous**

### **Pending Personnel Actions**

Requests for funds required for personnel actions (reorganizations, reclassifications, range changes, non-standard hours, etc.) that have been approved by the requesting department or agency and the Bureau of Human Resources but are being held in the Bureau of the Budget pending funding may be included in the budget request. Position actions related to proposed reorganizations must be submitted as a Part II new and expanded services request as part of the biennial budget submission. Refer to the examples provided below for electronic submissions for change group and change type information for these adjustments.

### **Proposed Reorganization or Staffing Changes**

Any proposed changes affecting organizational structure or staffing patterns must be reviewed in advance by the Bureau of the Budget. If changes are anticipated, you should submit current and proposed organizational charts and a narrative justification for the proposed change. Any proposed changes, which are agreed to in concept by the Bureau of the Budget, must be submitted as a Part II request. The change package description record for the adjustments should reflect change group 'C' and change type 'A'. Those changes approved by the Legislature will be subject to review and approval by the Bureau of Human Resources with regard to the establishment of the classification and range.

### **Unemployment Compensation**

Unemployment compensation costs for those departments and agencies that are assessed a percentage of salary should create change records modifying the Personal Services Expenditure budget at the object level. Departments and agencies that are assessed unemployment costs on a direct reimbursement basis should not project an amount.

In order to ensure that the computations reflected in BFMS are as comprehensive and accurate as possible, **you are requested to review and adjust as appropriate the data that is reflected for the positions in the *Position Information* window.** Copies of appropriate authorizations, such as HRPs, PDRs, authorizing legislation, etc., should be forwarded to the Bureau of the Budget for all proposed adjustments, including those that alter position information in the MFASIS HR System. Departments and agencies that have access to BFMS should specify the change group, change type and number (e.g. C/A/24) of the change package description record to which the modified position record is assigned in red in at the top of each document.

Please make sure that all authorized and funded positions are reflected. Otherwise, the biennial Personal Services need for the department or agency will be misstated. Be sure that all positions are reflected at the correct "Step" to generate the required salary. For budgetary purposes, a position for which an acting capacity assignment exists will be budgeted as a vacant position.

If you have any questions, please do not hesitate to call Diane Wiley at 624-7823 or your Budget Analyst/Examiner.

## Attachment E

### Central Fleet Rate Projections

CLASS	VEHICLE DESCRIPTION	FY 05	FY 06	% Incr.	FY 07	% Incr.
113-2	Large Compact Wagon 4 Cylinders, Automatic Transmission, Air Conditioning	\$267.86 \$0.1089	\$279.52 \$0.1143	4.35%	\$290.08 \$0.1201	3.78%
115-2	Large Compact Sedan 4 Cylinders, Automatic Transmission, Air Conditioning	\$231.37 \$0.1069	\$241.21 \$0.1122	4.25%	\$249.85 \$0.1179	3.58%
120-2	Intermediate Sedan 6 Cylinders, Automatic Transmission, Air Conditioning	\$303.34 \$0.1161	\$316.78 \$0.1219	4.43%	\$329.20 \$0.1280	3.92%
123-2	Intermediate Wagon 6 Cylinders, Automatic Transmission, Air Conditioning	\$319.15 \$0.1161	\$333.38 \$0.1219	4.46%	\$346.63 \$0.1280	3.97%
211-2	Compact Pickup Club Cab, 4 x 2 6 Cylinders, Automatic Transmission, Air Conditioning	\$271.38 \$0.1373	\$283.03 \$0.1442	4.29%	\$293.38 \$0.1514	3.66%
221-2	Compact Pickup Club Cab, 4 x 4 6 Cylinder, Automatic Transmission, Air Conditioning	\$314.06 \$0.1555	\$327.84 \$0.1633	4.39%	\$340.44 \$0.1714	3.84%
240-4	Full Size Pickup, 4 x 4 6 Cylinders, Automatic Transmission, Air Conditioning	\$314.79 \$0.1776	\$328.61 \$0.1865	4.39%	\$341.24 \$0.1958	3.84%
241-4	Full Size Club Cab Pickup 4 x 4 8 Cylinders, Automatic Transmission, Air Conditioning	\$354.04 \$0.1776	\$369.82 \$0.1865	4.46%	\$384.51 \$0.1958	3.97%
280-2	Full Size, Heavy Duty Pickup, 4 x 4 8 Cylinders, Automatic Transmission, Air Conditioning	\$431.75 \$0.2126	\$451.42 \$0.2232	4.56%	\$470.19 \$0.2344	4.16%
321-2	Mini Van, 7 Passenger 6 Cylinders, Automatic Transmission, Air Conditioning	\$319.52 \$0.1369	\$333.48 \$0.1437	4.37%	\$346.16 \$0.1509	3.80%
350-2	Full Size, Heavy Duty, 12 Passenger Van 8 Cylinders, Automatic Transmission, Air Conditioning	\$374.78 \$0.2080	\$391.50 \$0.2184	4.46%	\$407.08 \$0.2293	3.98%
<b>Rental Vehicles (rate per mile)</b>						
113-2	Large Compact Wagon	\$0.31	\$0.33	5.00%	\$0.34	5.00%
115-2	Large Compact Sedan	\$0.30	\$0.32	5.00%	\$0.33	5.00%
120-2	Intermediate Sedan	\$0.32	\$0.34	5.00%	\$0.35	5.00%
123-2	Intermediate Wagon	\$0.35	\$0.37	5.00%	\$0.39	5.00%
230-2	Full Size Pickup, 4 x 2	\$0.41	\$0.43	5.00%	\$0.45	5.00%
240-4	Full Size Pickup, 4 x 4	\$0.44	\$0.46	5.00%	\$0.49	5.00%
321-2	Mini Van, 7 Passenger	\$0.36	\$0.38	5.00%	\$0.40	5.00%
360-2	Full Size, Heavy Duty, 15 Passenger Van	\$0.54	\$0.57	5.00%	\$0.60	5.00%
620-2	Box Van, 15 foot	\$0.71	\$0.75	5.00%	\$0.78	5.00%

**Fuel cost for FY 2005 is based on \$1.80 per gallon.**

# Attachment F

## Timeline of Events

### FY 06-07 Biennial Budget

June 29, 2004 to July 7, 2004	Departments and agencies access the Reporting Level Display Control window in BFMS and designate the level(s) at which actual data for FY 2004, and position allocation data for FY 2005, is to be summarized when it is copied to the 'D – Download' version for the 2006 –2007 biennium.
July 8, 2004 to July 9, 2004	HR System data loaded and modified as necessary (e.g. Salary Schedules). Position information and columns are calculated in the 'D Download Version.'
July 9, 2004 and July 13, 2004	'P Budget Preparation Version' created and modified by the Bureau of the Budget.
July 26, 2004 to August 31, 2004	'P Budget Preparation Versions' copied to 'A Agency Development Version.' Departments and agencies develop budget requests.
July 26, 2004	Actual data for FY 2002, period 13, extracted from the Accounting System and added to existing versions in BFMS.
August 13, 2004	Revised rates received from the Maine State Retirement System and posted to BFMS. Benefits recalculated statewide.
September 1, 2004	Receive from departments and agencies preparing their budget and revenue requests off-line the Part I, Part II , strategic plan and performance budget information. Budget requests developed in an 'A Agency Development Version' in BFMS are promoted to the specified sequence of the 'B Agency Request' version.
September 1, 2004	Receive from departments and agencies revenue projections for FY 06 and FY 07.
September 13, 2004 to October 15, 2004	Review budget submissions with departments and agencies, including performance data, technology budgets and reduction options. (One-on-one meetings will be limited to critical, high priority Part II requests and reduction proposals).
October 5, 2004	Receive from the Consensus Economic Forecasting Commission the economic assumptions for 04, 05, 06 and 07.
October 8, 2004	Compile for the Revenue Forecasting Committee the preliminary General Fund and Highway Fund revenue projections for FY 06 and FY 07.
October 11, 2004	Issue to off-line departments and agencies the Part I budget forms for verification of data.

October 25, 2004 to November 5, 2004	Review and determine Governor's budget recommendations, and conduct with departments and agencies any follow up review of Part I reductions and Part II requests.
November 1, 2004	Receive the official General Fund and Highway Fund revenue projections from the Revenue Forecasting Committee.
December 6, 2004	Issue to departments and agencies the pending reclass/range change memorandum.
November 6, 2004 to December 20, 2004	Update narrative, spreadsheets and charts information for the budget document in the subject areas of:

### **Overarching Policy**

- Governor's budget message, priorities, initiatives and issues.
- Economic assumptions, revenue trends and fiscal outlook.
- Budget and financial glossary of terms.
- Budget process
- Strategic planning and performance measurement.
- Organization-wide policy areas and goals.

### **Budget and Financial Plan**

- Basis of budgeting for all funds.
- General Fund and Highway Fund revenues.
- General Fund Unappropriated Fund balance status.
- Highway Fund Unallocated Fund balance status.
- Appropriations, allocations, revenues and other financing sources and uses.
- Capital construction, repairs and improvements budget.
- Tax supported debt analysis including glossary of terms, debt ratio charts and debt capacity analysis.
- Tax expenditures.
- Contracted social services.

### **Strategic Operational Plans**

- Organization chart for Maine State Government.
- Strategic goals, objectives and performance measures connected to funding for current services programs.
- Strategic goals, objectives and performance measures connected to funding for current service budget reductions by program.
- Strategic goals, objectives and performance measures connected to funding for new and expanded programs.
- Position planning.

November 18, 2004 to Revise and/or amend budget recommendations with Governor.  
December 15, 2004 (This may include follow-up one-on-one meetings with specific departments or agencies).

December 15, 2004 to Update budget document to reflect revised and/or amended budget  
December 20, 2004 recommendations and compile data for the budget bills.

December 15, 2004 to Submit all budget document forms to the printer.  
December 24, 2004

December 31, 2004 Submit to the Legislature all budget bills in electronic form.

January 7, 2005 Submit to the Legislature the Governor's budget document.

**Note: This timeline is tentative and subject to change.**